

Supplementary Exercise 5-1

Examine each explanation carefully, then complete the journal entries as required. (Taxes are 5% GST and 8% PST.)

	Accounts & Description	Debit	Credit
Oct 4	A/R Carl Hall Sales GST Payable PST Payable	372.90	330.00 16.50 26.40
	Sold merchandise to Carl Hall on account: \$330 + taxes.		
4	Delivery Expense GST-ITC Cash	41.04 1.90	42.94
	Paid for shipping the goods to Carl Hall: \$38 + taxes.		
7	Purchases Cash	7,400.00	7,400.00
	Bought merchandise from supplier in China: \$7,400 CDN. Sent money order as payment.		
10	Duty & Brokerage GST-ITC Cash	340.00 387.00	727.00
	Paid brokerage fee for goods imported from China: \$340 fee + GST on goods and fee (no PST)		
11	Freight In GST-ITC Cash	311.04 14.40	325.44
	Paid RAM Courier for shipping of goods from China (for Cdn portion of the journey): \$288 + taxes.		
15	Advertising Expense Cash	890.00	890.00
	Bought advertising material from US printing company; \$890 CDN. Paid with MoneyGram.		
20	Advertising Expense GST-ITC Cash	37.80 1.75	39.55
	Paid delivery charge for new advertising material: \$35 + taxes.		

21	Advertising Expense	140.40	
	GST-ITC	51.00	
	Cash		191.40

Paid broker's fee for new advertising material:
 \$130 + GST & PST on goods and fee

Supplementary Exercise 5-2

Examine each explanation carefully, then complete the journal entries as required. (Tax is 13% HST.)

	Accounts & Description	Debit	Credit
Oct 4	Bank Sales HST Payable	1,502.90	1,330.00 172.90
	Sold merchandise to a cash customer: \$1,330 + tax.		
4	Delivery Expense HST-ITC Bank	45.00 5.85	50.85
	Paid for shipping the goods to the cash customer: \$45 + tax		
7	Purchases Bank	8,200.00	8,200.00
	Bought merchandise from supplier in Seoul: \$8,200 CDN. Paid by e-transfer.		
10	Duty & Brokerage HST-ITC Bank	280.00 1,102.40	1,382.40
	Paid brokerage fee for goods imported from Seoul: \$280 fee + HST on goods and fee		
11	Freight In HST-ITC Bank	306.00 39.78	345.78
	Paid DDL Courier for shipping of goods from Seoul \$306 + tax.		
15	Office Supplies Expense Bank	440.00	440.00
	Bought supplies for the office from an online company in USA; \$440 CDN. Paid with PayPal.		
20	Office Supplies Expense HST-ITC Bank	55.00 7.15	62.15
	Paid delivery charge for new supplies: \$55 + tax.		
21	Office Supplies Expense	138.00	

HST-ITC

Bank

75.14

213.14

Paid broker's fee for the new supplies:
\$138 fee + tax on supplies and fee